

INCOMING AIRGRAM

Department of State

ACTION COPY

PERMANENT RECORD COPY

SEP 7 1961

67
Action

FE-13

Info

Rm. 9.2

1009-10

1009-20

EAP-15

3-1-15

1009-15

FROM: Anembassy CANBERRA

TO: Secstate A-26

NO:

INFO: Djakarta A-1, London A-2

UNCLASSIFIED

Classification

B 1 0 3 0 9 1

611.98/9-161 PAGE 1 OF 1 PAGES

Date Sent: 1 Sept 61

Rec'd: 798.00

SEP 5 4 54 PM '61

In Prime Minister Menzies' press conference in Canberra on August 28, 1961, following exchange took place on subject West New Guinea: (Quote)

Question:

Sir, has the Government any knowledge of President Kennedy having indicated to the Indonesians, a change of American policy over West New Guinea, or a willingness to modify the American attitude to Indonesia's claims?

Prime Minister: Well we have heard suggestions made and all that kind of thing. But I wouldn't tell you that they had made any change in their policy. I don't know. So far as I can make out there have been some rather exaggerated rumours in that field. That problem is always being discussed; we are always having exchanges with other Governments about it, including the Administration of the United States. But I have no reason to suppose that the Americans have developed some new approach on this matter: they may have thought of a few. But I imagine you want to know whether they have propounded something. (Unquote)

SEBALD

BUREAU OF
INFORMATIONOCT 11 4 36 PM '61
DEPARTMENT OF STATE
FILED

WFRyan:jc

• This copy must be returned to RM/R central files with notation of action taken.

ACTION ASSIGNED TO NAME OF OFFICER & OFFICE SYMBOL	ACTION TAKEN DATE OF ACTION	Classification 9/7/61	DIRECTIONS TO RM/R
ECI		noted	file
Magnum SCA			

DECLASSIFIED

Authority NND 949570
By GPO NARA Date 8/4/00

DEPARTMENT OF STATE
ASSISTANT SECRETARY

SECRET

TO: The Secretary

THROUGH: S/S *pk*

FROM: EUR - Mr. Tyler *ms*

SUBJECT: Discussions on West New Guinea with Sukarno.

I have learned that the President has indicated to Prime Minister Macmillan that he intended to discuss West New Guinea with Sukarno when the latter comes here next week to present the views of the Belgrade nations. The President has indicated that he would urge Sukarno to undertake fruitful negotiations with the Dutch on West New Guinea as a contribution to the improvement of the world atmosphere.

We believe that the President might be put in an exposed position if he should urge this step on Sukarno because we are convinced that the Dutch government is not at this time prepared to negotiate directly with Sukarno. As you know, Netherlands officials consider Sukarno untrustworthy and that Dutch honor would not permit meeting him over the table until he has at the very least re-established diplomatic relations, and so long as the Indonesians insist that the Dutch agree to the transfer of West New Guinea sovereignty as the price for negotiating on this issue. Sukarno broke relations with the Dutch on August 17, 1960.

The Dutch intend to internationalize the West New Guinea problem at the 16th Session of the UNGA. They intend to propose a simple Visiting Mission which would report on conditions in the territory to the 17th Session. We do not believe that a resolution with such limited terms of reference will be acceptable either to the GA or the Indonesians. Our Embassy at The Hague has reported that the Dutch government will accept some flexibility regarding terms of reference and that if these could be broadened sufficiently it might contribute to a meaningful interim solution to this problem.

With regard to the question of direct negotiations, Sukarno and Nasution have both received private Dutchmen over the past few months who are seeking ways of establishing good relations between the two countries. The Indonesians have taken the position that they wish

good relations

SECRET

DECLASSIFIED

Authority *NND 949570*
By *CD* NARA Date *8/4/00*

FE:AFPeterson:emn
(Drafting Officer and Officer)

OFFICIAL USE ONLY

DEPARTMENT OF STATE

Memorandum of Conversation

611.98/9-2561

15474

Approved in U 10/12/61

DATE: September 25, 1961

SUBJECT: Visit by Acting Chairman of Indonesian Consultative Congress
and Minister of Construction; also of Basic Industry and Mining.

PARTICIPANTS: H. E. Chaerul Saleh
H. E. Dr. Zairin Zain, Indonesian Ambassador

The Acting Secretary
Avery F. Peterson, Deputy Assistant Secretary, FE

COPIES TO: S/S-2
G-2
S/P-2
FE-2
SPA-2
ICA-Mr. Burgess-2
INR/D-2
EUR
AF
NEA
ARA
Embassy Djakarta-2

OCT 11 1961

(15)

The Indonesian visitors called upon Secretary Bowles at 5:30 p. m. on September 25 for an hour's exchange of views on political trends and attitudes.

The Acting Secretary expressed hope that the Minister would visit all parts of the United States and would get out in the country; that those in the cities did not fully represent true American outlook nor in fact did metropolitan centers in other parts of the world. He cited experiences in rural areas of people seeking to be helpful, be it in Iowa or Indonesia.

He wanted to explain the background of some attitudes that the Minister would encounter, and in this connection mentioned Belgrade. There would be a certain lack of understanding among Americans regarding the conclusions at Belgrade, even though the United States had long since, as a policy, dropped its conception of supporting a country if it was "on our side". Nevertheless, the fact that the United States had put forward great treasure to assist non-aligned countries and achieved a result such as Belgrade caused misunderstandings.

It was

OFFICIAL USE ONLY

None
cc: 100's in RM/R destroyed

microfilmed by RM/R

GPO 665971

00219

DECLASSIFIED
Authority NND 949570
By GPO NARA Date 8/4/00

OFFICIAL USE ONLY

- 2 -

It was understandable, however, that people in Asia and Africa did not comprehend the Berlin situation. In some cases they did not even know the location of Berlin, but knew very well the location and issues in Angola, Bizerte and Algeria.

Strong stimulation existed in the United States causing sharp reactions toward issues that did not cause a ripple in Africa and Asia. For example, the presence here of many tens of thousands of Hungarians was part of the source of the reaction in the United States to the slaughtering of 32,000 in Budapest, a figure approaching U.S. losses in World War I and about equal to our Korean losses.

Minister Saleh observed that attitudes prevailing in former colonial territories which were peacefully liberated were markedly different from those where freedom was achieved by revolutionary force. The exercise of force brought in train demands for something different and an abhorrence of the old systems.

He cited Indonesia's five principles^{1/} and the need to work out economic development within these principles. Accordingly, private capital and private enterprise could not expect to function in Indonesia as in the past but would need to conform to the new concept of sovereignty of Indonesia, and new precepts of how Indonesia's wealth was to redound to the benefit of the people.

He said that the Indonesian Government felt strong rapport with the Kennedy Administration and its youthful leader but was surprised when it sided with the old colonial powers, for example by abstaining on the Algerian issue.

Acting

/Secretary Bowles responded that the United States understands the revolutionary element present in nations liberated by their own exertions since we experienced seven years of such travail. Hence, for example, if a poll were taken on the subject of Algeria's right to be free, an overwhelming proportion would affirm.

It was

^{1/} "Pantja Sila": 1) Belief in the one, Supreme God; 2) Humanity; 3) Nationalism; 4) Sovereignty of the People; and 5) Social Justice.

OFFICIAL USE ONLY

0 0 2 2 0

DECLASSIFIED
Authority NND 949570
By GD NARA Date 8/4/00

OFFICIAL USE ONLY

- 3 -

It was a false assumption that colonies created wealth for the metropole, although in the early days a la East India Company, the metropole drew away resources. Portugal, for example, is one of the countries in the lower GNP range, whereas Denmark, Norway and Switzerland, with no colonies, enjoy a high GNP.

The Acting Secretary referred to his recent visit to Latin America where population distribution, land ownership and wealth were ill-distributed. This pointed to the need for improvements in social institutions and the tax structure as elements of self-help which were necessary ingredients to development. He cited the extent of taxation in the United States in comparison to that of Latin American countries and in fact most all Western nations; if a partnership of four men earned a million dollars, Federal taxes took half at the outset; the remainder split \$125,000 to each partner would be taxed to the extent of \$60,000-\$70,000 (this evoking Ambassador Zain's observation that the United States was the most socialized country in the world but declined to admit it).

Acting

/Secretary Bowles stated that in our economic support the objectives we sought would conform entirely with what the recipient country desired. We desired to achieve in Indonesia exactly the same thing that Indonesians desired. He referred to our support to Yugoslavia to achieve what the Yugoslavs' wanted and to permit it to stand up to Russian pressures. Also, in the case of India the vast support, some \$500 million per annum, was to achieve ends mutually desired by the United States and India. (In this discussion, Minister Saleh inquired whether Indonesia would receive support on a per capita basis as large as that provided India. This in turn evoked reference to the need for economic planning, India's experience in that field and its heritage of the experienced civil servants in contrast to the sorry record of Dutch administration in Indonesia.)

The Acting Secretary analyzed the differences in colonial attitudes in the post-war period, noting a wide-angled view being taken by the United Kingdom because of its self-assurance and strength. Conversely, in the case of France, an occupied country whose pride had been damaged, policies followed were much more narrow and counter productive.

He mentioned

OFFICIAL USE ONLY

0 0 2 2 1

DECLASSIFIED
Authority NND 949570
By CP NARA Date 8/4/00

OFFICIAL USE ONLY

- 4 -

He mentioned the calculation of Mr. Nehru that if, in the case of Algeria, the French presence was in a ratio of 1 to 8, this would have meant in the case of India the presence of 40 million Britishers. Instead, the British presence in India was only 100,000 and this made independence easier. In other British territories, for example, Ghana, British colonial law precluded Europeans from owning land. Wherever the European colonized on a basis of taking up and holding tracts of land for perhaps two or three generations, a rooted position was encountered and considerable difficulty and acrimony accompanied the transfer of sovereignty. This, the Acting Secretary believed, had been the case in Indonesia.

In East Africa the roots of non-indigenous land ownership were deep and the elimination of this element has been difficult; nevertheless, the emergence of sovereignty in that continent has in five years achieved a result that previously was thought to require 20, 50 or 100 years.

At one point in the discussion Ambassador Zain made reference to West Irian and the need for a settlement of that issue, following which he predicted there would develop new Indonesian attitudes in foreign affairs.

Mr. Bowles mentioned his plan to visit the Far East before the end of the year to participate in a regional conference of Chiefs of Missions, similar to conferences he had attended in Africa and India. He regretted that on this occasion he would be unable to spend more than a brief time in Indonesia, a country in which he had previously spent a month or two. In that connection, he showed his visitors an illustration from one of his books showing a heavily laden streetcar in Djakarta with a banner, "All men are created equal".

OFFICIAL USE ONLY

0 0 2 2 2

DECLASSIFIED
Authority NND 949570
By GP NARA Date 8/4/00